

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DELTA)	CASE NO. 8528-I
NATURAL GAS COMPANY, INC.)	

O R D E R

December 14, 1982, the Commission issued its Order in Case No. 8528 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received. On September 23, 1983, the Commission issued its Order in Case No. 8866 providing for the further adjustment of these rates on a quarterly basis in accordance with the provisions of the Gas Cost Adjustment Clause set forth therein.

On December 28, 1983, Delta Natural Gas Company, Inc., ("Delta") filed its quarterly gas cost adjustment which is to become effective February 1, 1984, and is to remain in effect until May 1, 1984. On January 9, 1984, Delta filed revised exhibits in this Case. The Commission is concerned about the inclusion of gas storage and the seasonal fluctuation in the actual adjustment. The Commission intends to investigate these issues in the near future and is of the opinion that Delta's proposed rates should be approved subject to refund pending the outcome of such investigation.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Delta's notice of January 9, 1984, set out certain revisions in rates which Delta proposed to place into effect, said rates being designed to pass on the overall wholesale decrease in gas costs from its suppliers in the amount of 13.3 cents per Mcf.

(2) Delta has received a total of \$70,674 in refunds from its suppliers, Tennessee Gas Pipeline Company and Columbia Gas Transmission Corporation. Delta proposes to refund this amount by applying a refund factor of 1.51 cents per Mcf to its customers' bills. This factor includes interest at a rate equal to the average of the "3-Month Commercial Paper Rate" for the immediately preceding 12-month period less 1/2 of 1 percent to cover the costs of refunding.

(3) Delta's notice set out an actual adjustment in the amount of 10.43 cents per Mcf to compensate for previous under-recovery of gas cost by the company through the operation of its gas cost recovery procedure.

(4) Delta proposes a gas cost recovery rate in the amount of \$3.8982 per Mcf, a decrease of \$0.0438 per Mcf. This decrease represents the combined effect of the supplier decrease, refund and actual adjustments.

(5) Delta's adjustment in rates under the gas cost adjustment provisions approved by the Commission in its Order in Case No. 8528 dated December 14, 1982, and Case No. 8866 dated September 23, 1983, is fair, just and reasonable and in

the public interest and should be effective with final meter readings on and after February 1, 1984, subject to refund pending the outcome of the Commission's investigation of the actual adjustment component.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective for final meter readings on and after February 1, 1984, subject to refund.

IT IS FURTHER ORDERED that the gas cost recovery rate shall be \$3.8982 per Mcf effective for final meter readings on and after February 1, 1984, subject to refund.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 1st day of February, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8528-I DATED 2/1/84

The following rates and charges are prescribed for the customers served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES SCHEDULES

RATES

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
	plus		equals
General Service			
Monthly Customer Charge			\$2.90
1 - 5,000 Mcf	\$1.7311	\$3.8982	\$5.6293 per Mcf
5,001 - 10,000 Mcf	1.4811	3.8982	5.3793 per Mcf
Over 10,000 Mcf	1.2311	3.8982	5.1293 per Mcf
Interruptible (2)			
1 - 5,000 Mcf	\$1.4811	\$3.8982	\$5.3793 per Mcf
5,001 - 10,000 Mcf	1.2311	3.8982	5.1293 per Mcf
Over 10,000 Mcf	0.9811	3.8982	4.8793 per Mcf